

RHODE ISLAND COMMERCE CORPORATION

AGENDA

January 24, 2022

Call to order and opening remarks.

Tab 1: To consider for approval meeting minutes.

Tab 2: Update on the State budget.

Tab 3: Update on broadband investments and efforts.

Tab 4: To consider approval of the Corporation's annual budget.

Tab 5: To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

*Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(7) to consider this Agenda item.

Tab 1

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

JANUARY 24, 2022

APPROVED

VOTED: To approve the public session meeting minutes for the January 14, 2022 meeting as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
January 14, 2022

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on January 14, 2022, in Public Session, beginning at 3:30 p.m., pursuant to the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Daniel J. McKee, Bernard Buonanno, III, David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Michael McNally, Donna Sams, Bill Stone, and Karl Wadensten.

Directors absent were: George Nee and Vanessa Toledo-Vickers.

Also present were: Secretary of Commerce Stefan Pryor; Jesse Saglio, President & COO; and Christopher J. Fragomeni, Esq.

1. CALL TO ORDER AND OPENING REMARKS.

The Governor called the meeting to order at 3:45 p.m., indicating that a quorum was present.

2. TO CONSIDER FOR APPROVAL MEETING MINUTES.

Mr. Stone requested that the minutes for December 20, 2021 be amended to reflect that the Board had a robust and substantive conversation about the budget and having a committee review the Corporation's budget after the Board voted to advance the budget to a final review.

Upon motion duly made by Mr. Stone and seconded by Dr. Dann-Messier, the following vote was adopted:

VOTED: To approve the public session meeting minutes for the December 20, 2021 meeting, subject to the edits requested by Mr. Stone, as presented to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Michael McNally, Donna Sams, Bill Stone, and Karl Wadensten

Voting against the foregoing were: none.

3. **TO CONSIDER THE APPROVAL AND ESTABLISHMENT OF RI REBOUNDS SMALL BUSINESS AND IMPACTED INDUSTRY PROGRAM(S) AND AUTHORIZE ADDITIONAL FUNDING TO PROJECT MANAGEMENT AND PROGRAM SUPPORT VENDORS, TECHNICAL ASSISTANCE PROVIDERS, AND OUTREACH AND MARKETING VENDORS PERTAINING TO THE RI REBOUNDS INITIATIVE.**

Secretary Pryor explained that the General Assembly passed a package of incentives totaling \$45 million for small businesses, impacted industries, housing and human services, and childcare as part of the State Fiscal Recovery Funds allocation to the State. He noted that \$32 million of those funds have been appropriated to assist small businesses through a \$12.5 million program for direct payments to businesses for lost revenue; \$10.5 million for a technical assistance program to support long-term business capacity building; \$7.5 million for capital improvements for public health upgrades and outdoor programming; and \$1.5 million in funds to support administrative costs of the program. Further, he stated, \$13 million of the total funds will be used to support tourism, hospitality, and event industries through \$8 million in direct payments to businesses for lost revenue; \$3 million to support outdoor and public space capital improvements and event programming; and \$2 million to support tourism marketing. These collective efforts, he stated, are known as the “RI Rebounds Initiative.”

Secretary Pryor described the Small Business Grant Program, a component of RI Rebounds. He recounted that last year, the Corporation initiated the small business relief grant program, which was successful, user friendly, and reduced barriers for small businesses to apply. He noted that the Small Business Grant Program will share characteristics with the prior well-received and successful program. Secretary Pryor noted, though, that the Corporation will enable businesses with smaller impacts from the pandemic to qualify and require the submission of less documentary evidence in the application. All that information, he stated, will be collected through self-attestations, of which five percent will be randomly audited to ensure compliance and accountability. He explained that the Small Business Grant Program is authorized to provide for grants up to \$10,000 per business.

Secretary Pryor outlined the technical assistance program. He noted that a portion of the program funds will be directed to assist businesses in applying for grant funds from the Corporation. He recounted that the Board previously authorized the engagement of technical assistance vendors, and those vendors will be conducting the technical assistance outreach effort.

Secretary Pryor explained the Tourism, Hospitality, and Events Industries Grant Program, stating that it will provide \$8 million in direct grants to companies in the impacted industries of tourism, hospitality and events. To be eligible, he stated, a company will need to demonstrate a negative impact on their business as a result of COVID-19.

Secretary Pryor also explained the programs for public health upgrades, outdoor programming, and placemaking. He recounted that the Corporation previously ran a similar program, the Take it Outside program, which was successful in funding restaurants and other retail businesses to establish, expand and support outdoor operations. This program, he stated, will

provide similar grants as well as grants to improve indoor ventilation and to invest in downtown improvement districts.

Secretary Pryor stated that the Corporation is trying to mobilize these programs quickly, and, to do so, it is engaging upon its current vendors to assist, including Witt O'Briens, which is assisting with the Small Business Grant Program. He explained that the Corporation is planning to use up to \$4.5 million to pay for the administration of these programs, which is ten percent of the \$45 million appropriated in the legislation and consistent with both Federal guidelines and past experience running pandemic-era small business programs.

Mr. McNally indicated that he thought the money should be used in other ways, but noted that the General Assembly expressly stated how the money should be used. Secretary Pryor stated that the Corporation has been broadly canvassing small businesses across sectors statewide to determine their needs, and many responded that they needed money to cover continuing revenue challenges, increased staffing costs and other increased expenses. He also discussed the creation of a "back office" voucher program to assist companies with the costs of payroll and accounting services through the aforementioned technical assistance program.

Secretary Pryor and Mr. Buonanno discussed the sizes of potential grants, and Mr. Wadensten asked whether companies that previously received a grant from the Corporation could receive another grant. Secretary Pryor responded that the Corporation will require a determination of need for a company to be eligible for a grant and explained that the prior grant program was for losses for 2019-2020, and that this program will be for losses in 2021; therefore, there is no potential for a company to "double dip."

Mr. Chenvert expressed his concern about the administrative burden of applying for the grant programs and their difficulty in navigating the required application forms. Secretary Pryor reiterated that the Corporation is engaging technical assistance vendors to assist companies with the application process. In response to a question from Ms. Sams, Secretary Pryor stated that the Corporation will develop key performance indicators with its vendors to determine the effectiveness of the programs.

Upon motion duly made by Ms. Sams and seconded by Dr. Dann-Messier, the following vote was adopted:

VOTED: To approve the establishment of RI Rebounds Small Business and Impacted Industry Program(s) and to authorize additional funding to project management and program support vendors, technical assistance providers, and outreach and marketing vendors pertaining to the RI Rebounds Initiative pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, David Chenevert, Dr. Brenda Dann-Messier, Michael McNally, Donna Sams, Bill Stone, and Karl Wadensten.

Voting against the foregoing were: none.

Ms. Kaplan recused from consideration of this agenda item.

A copy of the resolution is attached hereto as **Exhibit B**.

4. **TO CONSIDER EXTENSIONS OF BUSINESS ATTRACTION ADVERTISING AND PUBLIC RELATIONS CONTRACTS.**

Anika Kimble-Huntley, the Corporation's Chief Marketing Officer, stated that two contracts with Ink House—the Corporation's social media support agency—and Duffy Shanley—the Corporation's public relations agency relative to the blue economy and special contracts—are set to expire on January 31, 2021. She requested that the Board authorize the extension of those contracts in the amounts of \$45,000 and \$40,000, respectively, to the end of March, 2022 while an RFP for those services is completed.

Upon motion duly made by Mr. Buonanno and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve extensions of business attraction advertising and public relations contracts as presented to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Michael McNally, Donna Sams, Bill Stone, and Karl Wadensten.

Voting against the foregoing were: none.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 4:43 p.m. upon motion made by Mr. Wadensten and seconded by Ms. Kaplan.

JANUARY 14, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Board of Directors of the Rhode Island Commerce Corporation (“Corporation”) will be held on **January 14, 2022** beginning at **3:30 p.m.** via Zoom. Public access to the meeting is available as provided below:

Public access link:

<https://us06web.zoom.us/j/82775370161?pwd=TCtYeCt2OHg5Tk0xOUh5VTdxeHY2Zz09>

Public passcode: 292584

Webinar ID: 827 7537 0161

Telephone access: 1-312-626-6799

If technical assistance is needed, contact the Corporation at 401-278-9100.

The meeting will be held for the following purposes:

1. To consider for approval meeting minutes.
2. To consider the approval and establishment of RI Rebounds Small Business and Impacted Industry Program(s) and authorize additional funding to project management and program support vendors, technical assistance providers, and outreach and marketing vendors pertaining to the RI Rebounds initiative.
3. To consider extensions of business attraction advertising and public relations contracts.
4. To consider the utilization of the Corporation’s incentive programs for the investment of public funds.*

*Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(7) to consider the investment of public funds in regards to this Agenda item.

This notice shall be posted at the office of the Corporation, at the Executive Office of Commerce, and by electronic filing with the Secretary of State’s Office.

Savage Law Partners, LLP,
Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also, for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: January 11, 2022.

JANUARY 14, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT B

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

January 14, 2022

(With Respect to the RI Rebounds Initiative)

WHEREAS, the Board of Directors (the "Board") of the Rhode Island Commerce Corporation (the "Corporation") received a presentation relative to the RI Rebounds Initiative ("Initiative"), which includes the RI Rebounds Small Business Grant Program ("Small Business Program") and the RI Rebounds Impacted Industries Grant Program ("Impacted Industries Program");

WHEREAS, the Initiative also includes technical assistance for long-term business capacity building ("TA Program"); public health upgrades and outdoor programming ("Take it Outside Program"); and outdoor and public space capital improvements and event programming ("Placemaking Program," or with the Small Business Program, Impacted Industries Program, TA Program, and Take it Outside Program, the "Programs");

WHEREAS, as part of the Initiative, the Corporation must increase funding to existing, Board-approved vendors to support the Programs;

WHEREAS, the Initiative will provide immediate economic support to Rhode Island small businesses and businesses in impacted industries that have lost revenue and demonstrated a negative impact from the COVID-19 public health emergency;

WHEREAS, the Corporation is anticipated to receive approximately \$45,000,000 ("Federal Funds") from federal funding sources to establish and administer the Programs; and

WHEREAS, the establishment and administration of the Initiative and the Programs is consistent with the purposes and mission of the Corporation.

NOW, THEREFORE, be it resolved by the Corporation, acting through its Board of Directors, as follows:

Section 1: The Board hereby finds and determines that the Programs are consistent with the principles established by the Corporation in relation to the review and approval of grant programs.

Section 2: Subject to the Corporation receiving the Federal Funds, the Board hereby establishes the following programs, as part of the Initiative and consistent with the presentation to the Board, in the following amounts:

Small Business Program:	\$12.5 million
Impacted Industries Program:	\$8.0 million
TA Program (first phase):	\$1.5 million

Take it Outside Program:	\$7.5 million
Placemaking Program:	\$3.0 million

Section 3: The Board hereby authorizes and approves the retention of the following as vendors under the first phase of the TA Program to provide technical assistance and training relative to Initiative as presented to the Board (“Technical Assistance Services”): Center for Southeast Asians; Roads Consulting; Rhode Island Black Business Association; Rhode Island Hispanic Chamber of Commerce; and the Rhode Island Society of Certified Public Accountants (collectively, “Technical Assistance Vendors”). The Board hereby authorizes and approves the expenditure of \$1.5 million of the TA Program’s funds to the Technical Assistance Vendors to perform the Technical Assistance Services.

Section 4: The Board hereby authorizes and approves the retention of the following vendors to perform marketing and outreach efforts relative to the Initiative: Advocacy Solutions, Center for Southeast Asians, East Greenwich Chamber of Commerce, Figmints, Innovation Studio, Multicultural Innovation Center, Newport Chamber of Commerce, North Kingstown Chamber of Commerce, Roads Consulting, Rhode Island Black Business Association, Rhode Island Hispanic Chamber of Commerce, Rhode Island Hospitality Association, Rhode Island Society of Certified Public Accountants, Samplers, Social Enterprise Greenhouse, and Systems Change Strategies (“Marketing Vendors”).

Section 5: The Board hereby authorizes and approves the retention of the following vendors to administer, implement, or otherwise support the Programs and the Initiative: Center for Southeast Asians; Figmints; Innovation Studio; iParametrics; Newport Chamber of Commerce; New Commons; North Kingstown Chamber of Commerce; QED National; RI Hospitality Association; RI Society of Certified Public Accountants; Roads Consulting Group; S2i; Social Enterprise Greenhouse; Systems Change Strategies; Trailblaze Marketing; and Witt O’Brien’s (“Support Vendors”).

Section 6: That Board hereby authorizes and approves the expenditure of no more than \$4.5 million for the administration of the Programs and the retention of the Marketing Vendors and Support Vendors, which shall include no more than \$3.55 million of federal funding, and no more than \$950,000 Corporation funding.

Section 7: The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO or the Chief Financial Officer (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to take any and all actions necessary to accomplish the intent of this Resolution including (i) the negotiation and execution of one or more contracts with the State of Rhode Island in relation to the funding for the Programs and related costs and/or expenses; (ii) the negotiation and execution of one or more contracts with the Technical Assistance Vendors, Marketing Vendors, or the Support Vendors; (iii) the expenditure of funding to carry out the Programs inclusive of the award of grants; and (iv) to negotiate, execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions and Programs authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such

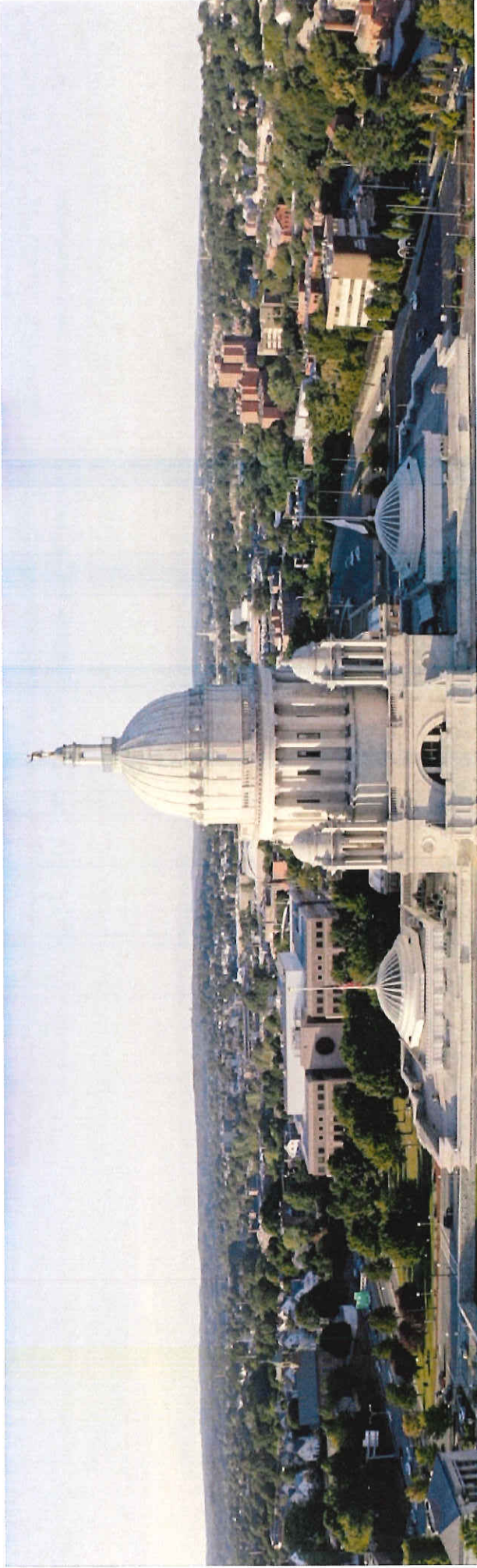
Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same. Stacy Farrell is appointed as the Assistant Secretary for all purposes hereunder.

Section 8: From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transactions authorized herein.

Section 9: All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

Section 10: This Resolution shall take effect immediately upon passage by the Board

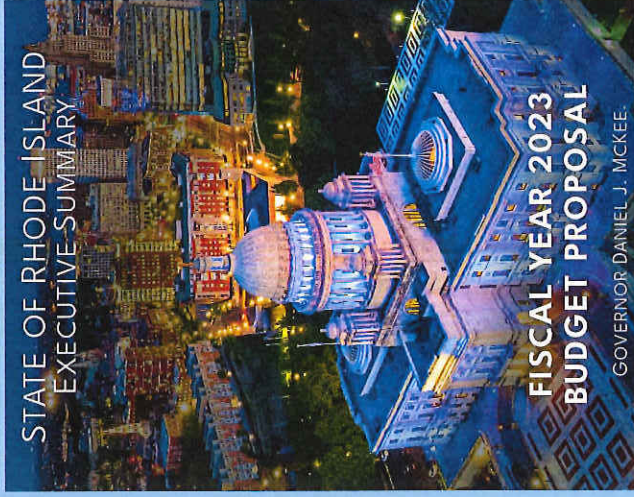
Tab 2



**RHODE
ISLAND**

FY 2023 Budget Overview

Commerce highlights



“The decisions we make this year have the potential to bolster Rhode Island’s economic comeback and propel our state into the next decade with strength.”

- Governor Daniel J. McKee

Outline

- State Fiscal Recovery Funds
 - Housing
 - Blue economy, bioscience, and ports to support offshore wind industry
 - Small Business, Impacted Industry & Minority Business Assistance
- Small business article
- Proposes continuing and funding existing Commerce programs
- Wavemaker expansion for healthcare workers
- Air service development fund
- Broadband

Housing

The Governor calls for the largest share of State Fiscal Recovery Fund funding, a quarter of a billion dollars, to be invested in housing and homelessness assistance

- Invests **\$90M** in project financing to create and preserve about 1,500 units for households earning up to 80% of AMI
- Establishes a **\$25M** grant program to acquire properties to be redeveloped into affordable housing
- Uses **\$20M** to support workforce/moderate-income housing and **\$10M** to increase developers' ability to get projects under way
- Allocates **\$50M** to provide \$17,500 in down payment assistance to households
- Assists individuals and households experiencing homelessness or housing instability by providing **\$26.5M** in enhanced infrastructure and supports

Blue economy, bioscience, and ports

The Governor calls for significant State Fiscal Recovery Fund funding to support long-term economic development, including:

- Blue Economy: **\$70 million** investment in ports and shipping, defense, marine trades, ocean-based renewables, aquaculture and fisheries, and tourism and recreation. Support the development of a Smart Bay platform for developing and testing new technology and the creation of a Blue Technology Innovation Center.
- Bio Science: **\$30 million** to grow Rhode Island's life sciences sector, enabling the state to further establish and grow one of the fastest-growing advanced industries in New England. Funding will support the creation of a shared wet lab space for startups and technology transfer supports.
- Port investments:
 - **\$60.0 million** infrastructure investment in the Port of Davisville to bolster offshore wind opportunities.
 - **\$35.0 million** to South Quay Marine Terminal to finish design activities and develop the waterfront portion of the terminal into a robust marine-industrial facility.

Small Business, Impacted Industry & Minority Business Assistance

The Governor recommends the following initiatives to improve conditions for small businesses:

- Minority Business Support Initiative: **\$10 million** to provide a range of supports and programming, e.g., technical and financial assistance, entrepreneurship training, space for programming and co-working, and access to low-interest loans.
- Financial support to small businesses in a variety of ways including through assistance grants, public health adaptation, outdoor programming, technical assistance: **additional \$13 million**
- Access to capital **\$20 million**
- Targeted assistance to impacted industries such as tourism and hospitality: **\$15.5 million additional**

Small Business Package

The Governor recommends the following initiatives to improve conditions for small businesses:

- Reduces the **corporate minimum tax** to \$375, which will benefit about 65,000 entities
- Allows cities and towns to provide a local tax exemption for **tangible property taxes** on business assets
- Reduces the interest rate for **late payments** on personal and corporate income taxes, bringing Rhode Island in line with its neighbors
- Creates a **taxpayer steward position** within the Division of Taxation
- Eliminates the sunset provision on the sale of **liquor to-go**, allowing restaurants and brewpubs to permanently sell alcoholic beverages with take-out orders
- Allows individuals to use **home kitchens** to make baked goods for retail sale (annual sales capped at \$25,000) – an activity that currently requires the use of a commercial kitchen
- Expands the types of entities eligible for the **Small Business Development Fund**, provides discretion for tax credit awards, and expands the types of taxes against which the tax credits are allowed
- Exempts the **trade-in value of motorcycles** from sales tax